KANSAS FARM MANAGEMENT & MARKETING HANDBOOK

Prices for Crop and Livestock Cost-Return Budgets

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The following prices and input costs have been assembled to facilitate forward planning for the farm business. Table 1 outlines the short-run (one year) planning prices used for the cost-return budgets in this handbook. Wheat, corn, grain sorghum, and soybean price projections were based on the Kansas Agricultural Statistics price series for Kansas for 1997 including a buy/sell markup of $0.15 per bushel.

Oil sunflower price projections were based on prices at harvest (October) for Goodland for 1997. Soybean meal price projections were based on Kansas City prices for 1997 including a markup of $20.00 per ton. Calf price projections were Dodge City prices for October, 1997, while feeder cattle projections were Dodge City prices for April, 1997. Market cattle price projections were for the Western Kansas Direct series, and market hog projections were for St. Joseph, Missouri. Each of these price projections, except for sunflowers, was based on the relevant futures closing price on August 26, 1996 and then adjusted for historical basis over 1991-1995. Sunflower price projections were based on a regression model using soybean meal and soybean oil futures prices. Cull cow prices were based on a five-year historical relationship with fed cattle prices, while feeder pig and cull sow prices were based on the historical relationship with market hog prices. Sheep prices were the July 15, 1996 prices obtained from Kansas Agricultural Statistics.

Hay price projections were obtained from the Kansas Hay Market News for August 23, 1996, with silage prices determined from grain prices. SEW feed mix prices were based on corn and soybean meal price projections and current prices for other ingredients. Hog supplement, mineral, and salt prices were based on a July, 1996 price survey.

Long-run planning prices are shown in Table 2. Commodities which have futures-based counterparts in Table 1 used short-run prices and historical cash prices to determine their long-run (1997-2002) values. For other commodities, long-run prices were based on 1991-1995 historical averages of their underlying short-run price series.

Table 3 outlines the location-specific projections of harvest time crop prices (wheat: July; corn, grain sorghum, and soybeans: October). Short-run price projections were for harvest 1997, and based on August 26, 1997 deferred futures prices as well as historical bases over the 1991-1995 period. Long-run price projections are the average harvest time prices for the 1997 to 2002 period. These long-run commodity prices were based on short-run projections and historical 1991-1995 location-specific crop prices. For more information on how deferred futures prices, basis, and historical cash prices are used in projecting short and long-run prices, see MF-2226 *Prices for Crop Cost Return Budgets*. Table 4 outlines the input costs used for the crop cost-return budgets in this handbook.

Table 1. Prices for Short-Run Planning

Crop or Feed*			Livestock*		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	$ a	4.24	Steer calf (fall)	450	$76.75
Grain sorghum (bu)	a	2.95	Steer calf (fall)	550	69.35
(cwt)	a	(5.27)	Feeder Steer (spring)	650	67.75
Corn (bu)	a	3.38	Feeder steer (spring)	750	64.05
Soybeans (bu)	a	7.56	Feeder steer (spring)	850	61.30
Sunflowers-oil (cwt)	13.31	_____	Market steer (annual)	1,200	65.90
Alfalfa hay (ton)	78.00	78.00	Heifer calf (fall)	450	65.50
Brome hay (ton)	55.00	55.00	Heifer calf (fall)	550	61.65
Prairie hay (ton)	50.00	50.00	Feeder heifer (spring)	650	61.45
Cane hay (ton)	35.00	35.00	Feeder heifer (spring)	750	59.40
Corn silage (ton)	30.40	30.40	Market heifer (annual)	1,050	65.90
Sorghum silage (ton)	26.60	26.60	Cull Cow (annual)	1,050	43.50
SBM (ton)	_____	257.35	Feeder pig (annual)	45	41.85
40% hog supplement (cwt)	_____	17.30	Market hog (annual)	240	51.35
Salt (cwt)	_____	4.00	Cull sow (annual)	450	39.85
Mineral (cwt)	_____	22.00	Market lamb (annual)	120	95.00
SEW Base Mix (ton)	_____	415.00	Feeder lamb (annual)	60	90.00
Sew Starter (ton)	_____	632.00	Cull ewe (annual)	100	25.00

a See Table 3 for location-specific prices

Table 2. Prices for Long-run Planning

Item	Crop/Price	Feed Price
Crop or Feed (1990-94)		
Wheat (bu)	$ a	$ 3.65
Grain sorghum (bu)	a	2.45
Grain sorghum (cwt)	a	4.37
Corn (bu)	a	2.78
Soybeans (bu)	a	6.26
Sunflowers, oil (cwt)	10.51	_____
Alfalfa hay (ton)	71.50	71.50
Brome hay (ton)	60.00	60.00
Prairie hay (ton)	60.00	60.00
Cane hay (ton)	33.00	33.00
Corn silage (ton)	22.00	22.00
Sorghum silage (ton)	25.00	25.00
SBM/ton	_____	208.07
40% Hog supplement (cwt)	_____	15.50
Salt (cwt)	_____	4.00
Mineral	_____	22.00
Beef	Weight (lbs)	Livestock Price
Steer calf (fall)	450	$88.57
Steer calf (fall)	550	80.96
Feeder steer (spring)	650	82.34
Feeder steer (spring)	750	77.23
Feeder steer (spring)	850	74.16
Market steer (annual)	1,200	71.32
Heifer calf (fall)	450	77.84
Heifer calf (fall)	550	73.66
Feeder heifer (spring)	650	75.42
Feeder heifer (spring)	750	73.00
Market heifer (annual)	1,050	71.32
Cull cow (annual)	1,050	47.07
Swine		
Feeder pig (annual)	45	$ 36.98
Market hog (annual)	240	45.38
Cull sow (annual)	450	35.21
Sheep		
Market lamb (annual)	120	$ 68.60
Feeder lamb (annual)	60	71.35
Cull ewe (annual)	100	21.60

a See Table 3 for location-specific prices

Table 3. Location-Specific Crop Prices for Short-run and Long-run Planning by Kansas Farm Management Association Area

	1997 Harvest Price Projections, $/bu. (Short-run)				**1997-2001 Avg Harvest Price Projections, $/bu (Long-run)**			
	Wheat	**Corn**	**Milo**	**Soybeans**	**Wheat**	**Corn**	**Milo**	**Soybeans**
Northwest & Southwest								
Scott City	$ 3.85	$2.94	$2.69	$6.69	$ 3.61	$2.72	$2.47	$ 6.02
North Central								
Salina	4.19		2.83	`	3.96		2.61	
Beloit		2.79		6.74		2.69		6.07
South Central								
Hutchinson	4.08	2.91	2.70	6.81	3.84	2.69	2.48	6.14
Northeast								
Topeka	4.16	2.95	2.72	6.96	3.93	2.75	2.52	6.30
Southeast								
Emporia	4.04	2.86	2.60	6.82	3.80	2.64	2.37	6.15

Table 4. Input Costs for Forward Planning (MF Series)*

Seed Item	Cost	Unit
Wheat	$0.200	lb
Grain Sorghum	1.000	lb
Corn	1.050	1,000 seeds
Soybeans	0.300	lb
Alfalfa	2.850	lb
Sunflowers-Confectionary	0.950	1,000 seeds
Sunflowers-Oil	0.550	1,000 seeds
Popcorn	0.840	1,000 seeds
Dry Edible Beans	0.350	lb
Input Item	**Cost**	**Unit**
N. (Anhydrous) - Actual Ingredient (based on 80-0-0)	$0.170	lb
N. (Dry) - Actual Ingredient (based on 34-0-0)	0.300	lb
P. - Actual Ingredient (based on 0-45-0)	0.280	lb
K. - Actual Ingredient (based on 0-0-60)	0.130	lb
Lime	0.005	lb
Labor	$9.000	hour
Interest (Operating)	10.000	%

**As of June 15, 1996.*

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